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TO RUEHC/SECSTATE WASHDC PRIORITY 9557
INFO RUEHEE/ARAB LEAGUE COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHNO/USMISSION USNATO 1642
RHMFISS/CDR USCENCOM MACDILL AFB FL
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NSC FOR ABRAMS/SINGH/GAVITO/DEMOPULOS, STATE FOR NEA/ELA,

E.O. 12958: DECL: 09/24/2017

TAGS: [EMIN](#) [ENIV](#) [ETRD](#) [PGOV](#) [PREL](#) [PTER](#) [IR](#) [LE](#)

SUBJECT: LEBANON: IRANIAN GOLD FOR SALE?

Classified By: DCM William Grant for reasons 1.4 (b) and (d)

1. (C) Iraqi businessman Dr. Sabah Hashem Allawi, brother of former Iraqi Prime Minister and current Iraqi MP Iyad Allawi, told DCM and Econoff on 9/11 that he had been asked to broker a sale of gold that he later learned was registered to Iran. Emboffs met Allawi at a lunch in Beirut arranged by prominent local Lebanese businessman Abdel Wadoud Nsouli. Allawi is the chairman of the board of the Trans Iraq Bank, and moves frequently between Baghdad and Beirut. He said that in the recent past he was contacted by someone (NFI) and asked to broker the sale of 50 tonnes of gold bars, and was provided with the serial numbers and markings on the bars. He was told that the gold belonged to Hizballah, who wished to sell it all at once, with a 10 percent discount.

2. (C) Allawi said he contacted USB, a major Swiss commercial bank. USB researched the markings on the bars, and learned that they had originated in South Africa, and were produced and sold to Iran. Feeling confident about the gold's origin, USB offered to make the purchase and was in the process of sending a representative to Lebanon to complete the transaction, Allawi said. At that point the sellers reneged on the deal. Allawi said that they are apparently bleeding off the gold through smaller sales, but he offered nothing to substantiate that.
FELTMAN